



Request for City Council Committee Action From the Department of Public Works

Date: December 16, 2003
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Subject: **Former Fire Station No. 13 at 4201 Cedar Avenue South – Conduct Public Hearing and Approve Sale to Highest Bidder**

Recommendations:

1. Conduct a public hearing on the proposed sale of former Fire Station No. 13 at 4201 Cedar Avenue South, as required by Minneapolis Ordinance Section 14.120.
2. Approve the sale of former Fire Station No. 13 for \$536,000 to the highest bidders, Steven and Shelley Holzemer according to the bid terms listed in Official Publication #6171.
3. Authorize the proper City Officers to execute a Quit Claim Deed to convey the property to the buyers. Further, authorize the Director of Property Services to sign any other necessary documents to facilitate the sale of this property.
4. If the above buyer is not able to purchase the property, authorize the sale of the property for \$355,000 to the next highest bidder, Hagen, Christensen & McIlwain Architects.
5. Direct that the sale proceeds be used to reimburse Public Works - Property Services Division for associated Property Services expenses of selling the property, with the remaining balance deposited into the Land Sales Fund 4100-923-9247.

Previous Directives:

- City Council action passed December 30, 2002, directing staff to apply for local/national historic designations and directing staff to sell the property to the highest bidder using a sealed bid process.
- City Council Resolution No. 2003R-428 designating the property as a local landmark.

Prepared by: Rebecca Law, Project Manager, 673-3252

Approved by:

Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenters: Steven Kotke, Director of Property and Equipment Services or Rebecca Law,
Project Manager

Financial Impact (Check those that apply)

☒ No financial impact - or - Action is within current department budget.

(If checked, go directly to Background/Supporting Information)

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☐ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☒ Other financial impact (Explain):

Revenue realized from sale of real estate.

☐ Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

The property at 4201 Cedar Avenue South is a vacant City-owned building that was the previous site of the old Fire Station 13. This vacant City property is approximately ¼ of an acre with a 10,792 square foot building which was constructed in 1923 and occupied by the Minneapolis Fire Department until 1990. Hennepin County had rented a portion of the building as an ambulance garage and ambulance crew quarters from 1990 until they vacated the site in 2002. In December 2002 city council directed staff to sell the property to the highest bidder using a sealed bid process.

Sealed bids were received and opened November 20, 2003 and the six qualifying bids contained purchase offers from \$257,700 to \$536,000. The City Assessor had previously estimated the market value of the property at \$373,000.

Steven and Shelley Holzemer were the highest bidders and intend to use the building for their commercial photography and film business. The second highest bid of \$355,000 was from the firm of Hagen, Christensen & McIlwain Architects. At the conclusion of today's public hearing, we recommend that the property be sold for \$536,000 to the highest bidder and we request the following actions to finish this real estate sale:

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Cc: Gary Warnberg, Procurement Director